

TRACY NEFF

VS.

LANDMARK EDUCATION
CORPORATION AND DAVID
GRILL, AN INDIVIDUAL

* IN THE DISTRICT COURT
*
* DALLAS COUNTY, TEXAS
*
*
* 162ND JUDICIAL DISTRICT

VIDEOTAPED
ORAL DEPOSITION OF
ARTHUR H. SCHREIBER

ANSWERS AND DEPOSITION of ARTHUR H. SCHREIBER,
a witness produced on behalf of the Plaintiff,
taken in the above styled and numbered cause on the
23rd day of October, 1998, before Kay D. Gallivan,
a Certified Shorthand Reporter in and for the State
of Texas, taken in the offices of Gwinn & Roby,
4100 Renaissance Tower, 1201 Elm Street, City of
Dallas, County of Dallas, State of Texas, pursuant
to the Texas Rules of Civil Procedure.

COPY

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ATTORNEYS OF RECORD

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1 the EST program from June of '81 to December of '84
2 and then delivered The Forum and other programs
3 related to The Forum from January 1985 until --
4 from -- sorry -- from January 1985 until January of
5 1991. They're programs that essentially have
6 people -- allow people to be more effective in
7 their lives but from a very different place. So in
8 the answer to your question about Werner Erhard &
9 Associates, yes, they -- they offered programs that
10 had people be more effective, but they offered two
11 very different types of programs.

12 Q. How are they so different?

13 A. The whole thrust and philosophy of the
14 EST training and related programs is very different
15 than the -- The Forum and the programs relating to
16 The Forum.

17 Q. How so?

18 A. Well, one could say -- first of all, The
19 Forum -- in language you would understand, The
20 Forum is more like a -- an inquiry that would be
21 conducted in law school except it's not about
22 contracts and trusts and estates. It's about
23 issues that are of -- that are of concern to people
24 in life, like what it -- what does it mean to be
25 responsible. And one would conduct an inquiry in

1 program that was about altering my ability to
2 experience, I come out in one direction. If I do a
3 three day and one evening program that's not about
4 my experience at all, that we're not even
5 interested in how you experience life, but we're
6 interested in have you seeing that there are
7 certain areas in your life where you can create new
8 possibilities for yourself that didn't otherwise
9 exist, I come out through a very different door.

10 Now, when I'm -- when the two of those
11 people are outside and you ask what kind of
12 umbrella would I put over them, I say loosely
13 they're programs to have people be more effective;
14 but they're going down very different tunnels.

15 Q. What is The Forum?

16 A. The Forum is our basic educational
17 program.

18 Q. What is the purpose of The Forum?

19 A. The purpose of The Forum is to -- there
20 are a number of -- I mean, there isn't like a
21 stated purpose, but the purpose of The Forum is to
22 have people who are healthy and successful and well
23 have opportunities for themselves to -- to see and
24 create for themselves new possibilities for action
25 in any or all parts of their lives that they might

1 speak with the center manager to get information?

2 A. Sure. There's nothing -- I mean, I'm
3 only saying the registrar because that's the person
4 in whose job responsibility this would fall. But
5 if he's on vacation for two weeks, they wouldn't
6 just leave a message so --

7 Q. All right. You mentioned that -- that
8 there is a new Forum Information Form and one of
9 the changes to it is that there is an arbitration
10 agreement.

11 A. Uh-huh.

12 Q. Does -- who does the arbitrations under
13 that agreement?

14 A. The office of the American Arbitration
15 Association in the city in which The Forum is being
16 delivered.

17 Q. Have any arbitrations been performed
18 pursuant to the arbitration agreement since the
19 form was revised?

20 A. No.

21 Q. You mentioned that there was Dr. Edward
22 Lowell --

23 A. Uh-huh.

24 Q. -- who has served as a mental health
25 advisor --

1 A. Uh-huh.

2 Q. -- to Landmark Education Corporation.

3 A. Unpaid advisor, that's correct.

4 Q. All right. Are there any other paid or
5 unpaid mental health professionals that have served
6 as advisors to Landmark Education Corporation?

7 A. There have never been any paid advisors,
8 and there have been unpaid advisors; and over the
9 years, the names I don't recall. Doctor Lowell I
10 definitely know about.

11 Q. Why is it that Landmark Education
12 Corporation has determined based on advice from
13 mental health professionals that persons who answer
14 "yes" to the questions on that form should not
15 participate in The Forum?

16 A. I can tell you exactly why. As we tell
17 people in this -- right in their application
18 form -- and I'm reading from the form. "The
19 Landmark Forum is intended for people who are
20 well. In the program you will address such
21 questions as, 'What does it mean to be human' and
22 'What is the possibility of being for human
23 beings.' Although most people find these matters
24 engaging, challenging, and rewarding, some may find
25 thinking about such matters difficult and

1 unsettling. As with any serious undertaking in
2 life, you should take the time to determine whether
3 or not you are physically, mentally and emotionally
4 prepared to engage in these kinds of questions.

5 The program is not therapeutic in design,
6 intent or methodology and is not a substitute for
7 psychotherapy or for a drug or alcohol treatment
8 program. Because some people may, contrary to our
9 specific instructions, take the program as a way of
10 dealing with issues that are properly addressed by
11 trained mental health professionals, we advise you
12 that The Forum leaders are not trained mental
13 health professionals; that no trained mental health
14 professionals will be in attendance at The Forum;
15 and that The Forum will not address issues that are
16 best dealt with in therapy."

17 I couldn't say it any better to answer
18 your question.

19 MS. STOVALL: I'll object as
20 nonresponsive.

21 Q. (By Ms. Stovall) And maybe I didn't ask
22 the question. Let me try it again. What is it
23 about The Forum, the activities that occur in The
24 Forum --

25 A. Uh-huh.

1 Q. -- and 1 million shares of preferred
2 stock authorized.

3 A. Uh-huh.

4 Q. How many stockholders own the 10,000
5 shares of common stock?

6 A. I don't know where you got -- it says 10
7 million.

8 Q. I mean -- I'm sorry. How many
9 stockholders own the 10 million shares of common
10 stock?

11 A. Okay. But just to clarify, this is
12 shares authorized. It doesn't mean outstanding.
13 Of the 10 million that are authorized,
14 approximately 780,000 shares are outstanding; and
15 that's held currently by employees around the world
16 numbering approximately 275 to 300.

17 Q. And of the 1 million shares of preferred
18 stock authorized, how many are issued?

19 A. None.

20 Q. What is the difference between common
21 stock and preferred stock?

22 A. Common stock typically is stock that is
23 entitled to vote and participate in the ownership
24 of the company. Preferred stock, depending on the
25 types of preferences that are provided, have